



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

M/045/019

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August 12, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8895 5088

Jennie Weible
International Minerals & Metals
23205 Mercantile Road
Beachwood, Ohio 44122

Re: Receipt of Permit Fee Payments, Year 2002, Clifton/IP Project (E/045/052) and
Yellow Hammer Mine (M/045/019), Tooele County, Utah

Dear Ms. Weible:

On July 22, 2002, we received two checks #1139 for \$100.00 and #1140 for \$350.00 from International Minerals & Metals ("IMM") for the annual permit fee payments for the Clifton/IP Project (E/045/052) and the Yellow Hammer Mine (M/045/019) respectively. The billing/payment receipts attached to the checks were copies of old 2001 receipts originally sent to Clifton Mining Company ("CMC") and American Consolidated Mining Company ("ACMC") and were subsequently modified by IMM for the 2002 year.

This letter is to inform you that we are unable to accept the checks from IMM as payment of the permit fees and are returning the checks and modified receipts to you. Clifton Mining Company and American Consolidated Mining Company have paid the 2002 annual permit fees for these projects. As you are aware, the final transfer of the permits to IMM has not occurred because we have not received appropriate replacement reclamation surety from IMM as required by statute and rule. IMM originally advised the Division that their acquisition of these mining properties also entitled them to the permits and reclamation bonds. Subsequently, we have learned that this may not be an accurate representation.

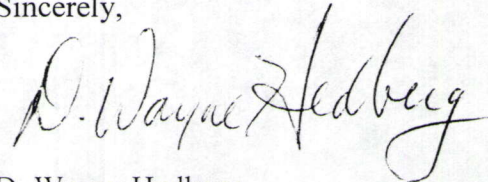
Both parties are claiming exclusive rights to the reclamation sureties currently held by the Division. Our offer to act as an intermediary to reach some compromise in this matter has been rejected by both sides. Accordingly, this matter has been turned over to our Assistant Attorney General for resolution. An interpleader complaint has been

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drafted and will shortly be filed with the appropriate District Court to determine which party is entitled to these funds.

Thank you for your patience and understanding in this matter. If you have questions regarding this letter, please contact me at (801) 538-5286.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures: (2) Checks - #1139 and 1140 w/receipts
cc: Philip M. Lynch, IMM
O:\M045-Tooele\M0450019-yellow hammer\final\fees-2002.doc